1989-90 BUDGET ADDRESS

PRESENTED BY
THE HONOURABLE P. McDONALD
MINISTER OF FINANCE
AT THE FIRST SESSION
OF THE TWENTY-SEVENTH LEGISLATIVE
ASSEMBLY

WHITEHORSE, YUKON
MARCH, 1989

Yukon
Finance

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1989 - 1990

BUDGET SPEECH

Mr. Speaker and Honourable Members, I am pleased to present today the combined Capital and Operation and Maintenance Budget for the fiscal year 1989-90.

Eight short weeks ago, the government introduced a fiscal plan outlining the implementation of a new agenda, policies and programs to deal with the social, economic and environmental concerns of Yukoners. On February 20th, the electorate responded by endorsing this fiscal plan with a new mandate for the government. In recognition of this endorsement, the budget before you was prepared.

This government is aware of the concerns that Yukoners have for social, economic and environmental issues. The budget describes initiatives designed to address these concerns while maintaining our commitment to responsible financial management. These initiatives were outlined in the earlier January budget and they constitute the thrust of this budget.

The Yukon economy continued to improve in 1988 and is expected to continue to expand in the year ahead. This continued economic growth will result in increased revenues and provide a firm base from which we can address the needs and concerns of Yukoners.

FISCAL ISSUES

Mr. Speaker and Honourable Members, as you are aware the government is currently addressing several major fiscal issues: the Formula Financing Agreement and the Economic Development Agreement, both of which are being renegotiated, and Phase II of the federal government's tax reform, the proposed Multi-Stage Sales Tax. Each of these issues are of concern because they will directly impact on the fiscal framework within which this government must operate in the years ahead.

THE FISCAL OUTLOOK

The combined expenditures for Capital and Operation and Maintenance, proposed for 1989-90, are $329,382,000. This represents a modest increase of 1.5 percent over the Forecast Estimates for 1988-89. It illustrates our commitment to the practice of sound financial management.

This budget outlines capital expenditures of $103,724,000 which will be used to further develop the infrastructure of this territory. And it presents operation and maintenance expenditures of $225,658,000 for programs and government operations.

We will be tabling Supplementary Estimates for the current fiscal year. These estimates will show estimated year-end expenditures of $324,440,000 of which Operation and Maintenance expenditures total $216,114,000 and Capital $108,326,000.

This budget outlines a fiscal plan which will result in a surplus of $695,000 for the 1989-90 fiscal year. These monies will be added to our accumulated surplus to provide for the future needs of Yukoners. At the end of the 1989-90 fiscal year, the accumulated surplus will total $26,262,000.

REVENUES

Total budgetary revenues for the fiscal year 1989-90 are estimated to be $332,199,000, an increase of 8.3 percent over the 1988-89 forecast revenues of $306.8 million. Revenues raised from Yukon sources are expected to increase by 7.8 percent to total $55,207,000 next year.

Continued economic growth in the Yukon will result in increased income tax revenues in 1989-90. Personal income tax revenues are expected to total $21,865,000 next year which represents a 6.5 percent increase over the forecast 1988-89 level. Corporate income tax revenues are expected to total $5,035,000 for 1989-90, an increase of 10.8 percent over the current year's forecast.

More effective management of the government's finances and forecasted higher interest rates for the coming year will result in increased revenue from government investments. Investment income is expected to increase by 18.6 percent in 1989-90 to a total of $4,753,000.

The federal grant is expected to total $194.6 million in 1989-90. This represents an increase of 8.4 percent over the forecast 1988-89 grant of $179.5 million. Notwithstanding this increase, our dependence upon the federal grant has declined since 1985-86. The grant is projected to represent 58.6 percent of our budgetary income in the coming fiscal year. This is 3 percent lower than the 61.6 percent it represented in 1985-86. The resurgence in our economy over this period has translated into greater revenues from our own sources. Economic growth will continue to lessen our dependence upon the grant in the future.

The recent closing of the United Keno Hill mine will impact on the rate of growth of tax revenues in the coming year. The magnitude of this is not known, however, we feel it will be possible to achieve the revenue levels that I have just mentioned because of our otherwise strong economy. Any reduction in tax revenues will not impact on our total fiscal position because of the protection from such fluctuations that is provided by the formula financing agreement.

REVENUE INITIATIVES

Mr. Speaker, our government is aware of the high tax burden already borne by Yukoners. It is with this in mind that, I am pleased to confirm, this government will not be increasing taxes in 1989-90.

EXPENDITURE INITIATIVES

Mr. Speaker, during the coming year, our government is committed to implementing new initiatives and enhancing existing ones to address the major social, economic, and environmental needs of our citizens. These proposals were outlined in the earlier January budget but I would now like to take this opportunity to review again some of the more important ones which are provided for in the Estimates before you.

SOCIAL ACTION

Child Care

We will implement our four-year strategy to greatly enhance child care services in the territory. The Department of Health and Human Resources will allocate an additional $1.4 million in 1989-90 towards the creation of new child care spaces, the development of pre-and after-school programs, increased support for low income families, better pay and training for child care workers, and provide for the integration of special needs children.

There is much to be done to create a quality, affordable, comprehensive child care system in the Yukon. Our four-year strategy will provide the framework for such a system. We are hopeful the federal government's proposed national child care strategy will address the Yukon's requirements and complement our programs.

Family Support

Child care is only one part of our support for families. Our government will provide an additional $969,000 to initiate and further strengthen a variety of family support programs.

A total of $529,000 will be used to initiate a new Safe Places Program to support the establishment of transition homes for victims of family violence and to strengthen child abuse services. Family violence offender and anger management programs will receive $25,000 to provide for a community storefront operation. A total of $65,000 will be allocated for education about family violence and for the establishment of a 24 hour telephone line for sexual assault and family violence victims.

The Family Support Program, which provides intensive support to families and children in their own homes, will receive an additional $134,000. Funds totalling $216,000 will be provided for the continued operation of the Champagne/Aishihik child welfare project and the planning and negotiating of other new Indian child welfare delegation projects.

Health

The Department of Health and Human Resources will allocate an additional $847,000 for community health programs in 1989-90. Funding for a demonstration project designed to integrate health and social services in a rural community will total $40,000 next year.

Medical travel is an integral element of health care services in the Yukon. It will be enhanced by an additional $159,000. Funds have been allocated to develop a medical boarding service in Whitehorse for rural residents. Design of the planned extended care facility will continue with additional capital funding of $648,000 in the coming year.

In preparation for the transfer of hospital services from the federal government, we have been reviewing hospital and community health services. These studies will help us negotiate an agreement for the construction of a new regional hospital in Whitehorse and the transfer of hospital responsibility from the federal government to Yukon control.

Education

Access to quality education remains a priority of this government. In 1989-90, the Department of Education will take two significant steps to enhance our education system. The Native Teacher Training program will receive $400,000 to train Indian people for teaching positions in the Yukon. The Special Education programs will also be enhanced through the establishment of an optional learning environment for students with special needs and with discipline problems. This program will receive $323,000 in new resources in the coming fiscal year.

Housing

The Yukon Housing Corporation will be expanding its home ownership programs to assist Yukoners in meeting their housing needs. The Home Ownership Program, the Joint Venture Program and the Home Improvement Program will be expanded in 1989-90. In total, the Yukon Housing Corporation will spend $18.8 million in 1989-90 with an estimated $10.6 million of this to be spent in rural areas. These efforts will help alleviate the housing shortage and encourage Yukoners to buy and build homes.

Homeowners Grant

Our government will be increasing the homeowners grant in 1989-90. The annual grant will be increased to a maximum of $450 and, for senior citizens, it will be increased to $500. This additional assistance for our older citizens will enable them to continue to live in their own homes. The Department of Community and Transportation Services will be budgeting an additional $136,000 to provide for these increases in 1989-90.

ECONOMIC ACTION

The Yukon's economy, as a whole, is on a sound footing, but there are still economic opportunities and benefits to be pursued.

Northern Energy Accord

The signing, this past summer, of an agreement in principle with Canada for a Northern Energy Accord opens the door to potential economic benefits and opportunities that were not previously available to us. In order to work out the details of an energy agreement and guarantee Yukoners full benefits and opportunities under such an agreement, the Department of Economic Development will utilize $155,000 to prepare for negotiations and to pursue the transfer of oil and gas responsibilities in the coming year.

Tourism

Our government has developed and initiated a Tourism Action Plan. As part of this plan, the Department of Tourism has initiated a tourism promotion agreement with British Columbia and Alaska. A total of $210,000 will be allocated to this program in 1989-90. This new joint marketing effort will build a base for the upcoming Alaska Highway celebration in 1992. And it will complement our continued participation in the Yukon-Alaska marketing program.

Business Development Fund/Community Development Fund

The Department of Economic Development will operate two new comprehensive development programs in 1989-90. The Business Development Fund and Community Development Fund will provide coordinated and centralized development programs which, as single application processes, will be more easily accessible to the public.

The Business Development Fund will provide a total of $3.3 million for the development of Yukon enterprises in 1989-90. The scope of this fund is greater than the more restrictive programs that it is replacing. The Community Development Fund will provide a total of $5.1 million in 1989-90. The Community Development Fund incorporates the community development programs from six different departments into one comprehensive fund.

Lands

A total of $7.5 million will be allocated for land development in the coming year through the Department of Community and Transportation Services. All types of lands, residential, recreational, commercial and industrial, will be developed throughout the territory in order to provide an adequate supply of developed land to meet the needs of Yukoners.

Transportation

In 1989-90, the Department of Community and Transportation Services will allocate $47.4 million towards the construction and maintenance of the territory's highways and roads. Construction expenditures will total $18.3 million while maintenance expenditures will total $29.1 million. Major activity will take place on the Klondike, Campbell, and Dempster Highways in the coming fiscal year.

Yukon airports will be allocated a total of $4.1 million in 1989-90 for construction and maintenance work. The Haines Junction, Beaver Creek, and Teslin airports are targeted for improvements.

ENVIRONMENTAL ACTION

During the Yukon 2000 process, the citizens of this territory expressed their strong interest in balancing economic opportunities with protection of the environment. In response to this, our environmental agenda will be guided by the Yukon Conservation Strategy which is being developed in consultation with Yukoners.

Environmental Protection

The Department of Renewable Resources will take the first step in developing a coordinated environmental protection program in 1989-90. The department will allocate $90,000 toward the establishment of an environmental protection unit. This unit will undertake the planning and coordination of the government's environmental protection programs.

Demonstration Projects

The Department of Renewable Resources will initiate demonstration projects which will bring our conservation strategy to life. Waste recycling projects and soil conservation research are just a few of the projects which could be used to demonstrate our conservation strategy. A total of $100,000 will be devoted to demonstration projects in 1989-90.

Sediment Discharge

The Department of Economic Development will contribute $50,000 in 1989-90 towards a cost-shared study with federal agencies and the placer mining industry on the impact that sediment discharge into streams and rivers has upon fish stocks in the Yukon. This study will provide the information upon which a beneficial co-existence of these two industries can occur.

Clean Water

Yukoners are increasingly concerned about the quality of our water supplies. In the year ahead, the Department of Community and Transportation Services will provide a total of $3.7 million for major water and sewage projects throughout the territory.

Hazardous Waste

The safe handling and storage of hazardous waste is a priority of this government. Last year we initiated the Workplace Hazardous Material Information System to ensure the safe handling of hazardous materials in the Yukon. In the year ahead, the Department of Community and Transportation Services will allocate $100,000 towards the development of a state-of-the-art hazardous waste storage facility in consultation with local governments and the public. This facility will provide us with a safe, modern, temporary storage capability for hazardous waste.

Fisheries Transfer and FISH Fund

Through the Department of Renewable Resources and Government Services, a total of $481,000 will be allocated for the transfer of the freshwater fisheries program on April 1 of this year. In accordance with the transfer agreement, an estimated $202,000 of this allocation will be funded through an increase to the fishing licence fee schedule. This transfer ensures that Yukoners will obtain improved management of, and benefits from, the freshwater fishery resource. In addition, a Fishery Initiative and Sustainable Harvest Fund will be established. This fund complements the Fisheries transfer. It will receive $50,000 to support community plans for enhancing local fisheries next fiscal year.

Trapping

In support of the trapping industry, we will devote $150,000 to continue the leghold trap exchange program through the Department of Renewable Resources. This encouragement of humanitarian trapping methods will help promote the fur industry.

Big Game Management Plan

The Department of Renewable Resources will also provide $130,000 towards the establishment of a big game management plan in the coming fiscal year. This plan will be designed to provide an integrated, long term management program for big game in selected areas of the territory.

Mr. Speaker, I have identified only a few of the new and more significant initiatives and programs which are provided for in the combined Estimates I am tabling today. The Ministers will provide the Legislature with the details of their specific initiatives during debate on the Estimates.

CONCLUSION

Mr. Speaker, I have outlined in this Budget a fiscal plan which illustrates our commitment to responsible financial management and to addressing the needs of the citizens of the Yukon. This budget was prepared in recognition of the new mandate and the endorsement of the citizens of the territory. This budget allocates additional funding for new and existing social, economic and environmental programs. The budget provides for all these and does so without an increase in taxes.

These are goals that, I am certain, all members of this Legislature will wish to support, and, to that end, I commend it to the favourable attention of all Honourable Members.

1989 - 90

CAPITAL

AND

OPERATION AND MAINTENANCE

SUPPLEMENTARY INFORMATION

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FINANCIAL SUMMARY

($000's)

	1989-90 Estimates	1988-89 Forecast	% Change	1988-89 Estimates
OPERATION AND MAINTENANCE				
Gross Expenditures	225,658	215,748	5%	201,440
Less: Recoveries	34,889	36,079	-3%	32,524
Net O&M Expenditures	190,769	179,669	6%	168,916
CAPITAL				
Gross Expenditures	103,724	108,440	-4%	100,723
Less: Recoveries	34,480	27,077	27%	31,639
Net Capital Expenditures	69,244	81,363	-15%	69,084
LOAN AMORTIZATION				
Gross Expenditures	2,122	2,197	-3%	2,197
Less: Recoveries	2,001	1,882	6%	1,882
Net Loan Amortization	121	315	-62%	315
FINANCIAL POSITION SUMMARY				
Territorial Revenue	55,207	51,229	8%	50,305
EPF	11,000	10,979	0%	9,820
Federal Transfer Payment	194,622	179,510	8%	176,084
Total Revenues	260,829	241,718	8%	236,209
Gross Expenditures	331,504	326,385	2%	304,360
Less: Total Recoveries	71,370	65,038	10%	66,045
Less: Net Expenditures	260,134	261,347	0%	238,315
SURPLUS (DEFICIT)	695	(19,629)	104%	(2,106)

Under Formula Financing additional funding is made available to the Yukon Government through a transfer payment from Canada. The Transfer Payment is subject to adjustment for changes in Revenue, EPF and some Recoveries. At the present time the total Transfer Payment to be received by Yukon on behalf of 1989-90 is expected to be approximately $194,622,000.

TOTAL EXPENDITURE SUMMARY BY DEPARTMENT

($000's)

DEPARTMENT/AGENCY	1989-90 Estimates		1988-89 Forecast		1988-89 Estimates	
	$	%	$	%	$	%
Yukon Legislative Assembly	1,857	0.6	2,058	0.6	1,810	0.6
Executive Council Office	5,330	1.6	5,371	1.7	4,737	1.6
Community and Transportation Services	98,064	29.8	97,154	30.0	91,881	30.4
Economic Development : Mines and Small Business	14,534	4.4	17,599	5.4	14,891	4.9
Education	67,193	20.4	69,982	21.6	62,779	20.8
Finance	4,066	1.2	2,861	0.9	2,926	1.0
Government Services	25,555	7.8	23,887	7.4	22,643	7.5
Health and Human Resources	49,150	14.9	49,985	15.4	46,124	15.3
Justice	20,156	6.1	18,757	5.8	18,339	6.1
Public Service Commission	7,277	2.2	7,392	2.3	4,022	1.3
Renewable Resources	11,219	3.4	10,498	3.2	10,195	3.4
Tourism	5,911	1.8	5,561	1.7	5,638	1.9
Women's Directorate	319	0.1	282	0.1	242	0.1
Yukon Housing Corporation	18,751	5.7	12,801	3.9	15,936	5.3
Yukon Liquor Corporation	one dollar	-	one dollar	0.0	one dollar	0.0
Yukon Development Corporation	one dollar	-	one dollar	-	one dollar	-
TOTAL EXPENDITURE	329,382	100.0	324,188	100.0	302,163	100.0

The percent columns represent the percent of total expenditures for the year accounted for by that particular department/agency. Percent figures may not add up due to rounding.

OPERATION AND MAINTENANCE

EXPENDITURE SUMMARY BY DEPARTMENT

($000's)

DEPARTMENT/AGENCY	1989-90 Estimates		1988-89 Forecast		1988-89 Estimates	
	$	%	$	%	$	%
Yukon Legislative Assembly	1,857	0.8	2,058	1.0	1,810	0.9
Executive Council Office	5,308	2.4	5,289	2.5	4,650	2.3
Community and Transportation Services	49,040	21.7	49,244	22.8	46,333	23.0
Economic Development : Mines and Small Business	2,343	1.0	2,483	1.2	2,020	1.0
Education	51,253	22.7	47,641	22.1	45,354	22.5
Finance	4,066	1.8	2,861	1.3	2,926	1.5
Government Services	17,367	7.7	16,355	7.6	15,111	7.5
Health and Human Resources	46,915	20.8	45,609	21.1	42,555	21.1
Justice	20,000	8.9	18,613	8.6	18,199	9.0
Public Service Commission	7,277	3.2	7,392	3.4	4,022	2.0
Renewable Resources	9,510	4.2	8,817	4.1	8,564	4.3
Tourism	4,043	1.8	3,607	1.7	3,607	1.8
Women's Directorate	319	0.1	282	0.1	242	0.1
Yukon Housing Corporation	6,360	2.8	5,497	2.5	6,047	3.0
Yukon Liquor Corporation	one dollar	-	one dollar	-	one dollar	-
Yukon Development Corporation	one dollar	-	one dollar	-	one dollar	-
TOTAL EXPENDITURE	225,658	100.0	215,748	100.0	201,440	100.0

The percent columns represent the percent of total expenditures for the year accounted for by that particular department/agency. Percent figures may not add up due to rounding.

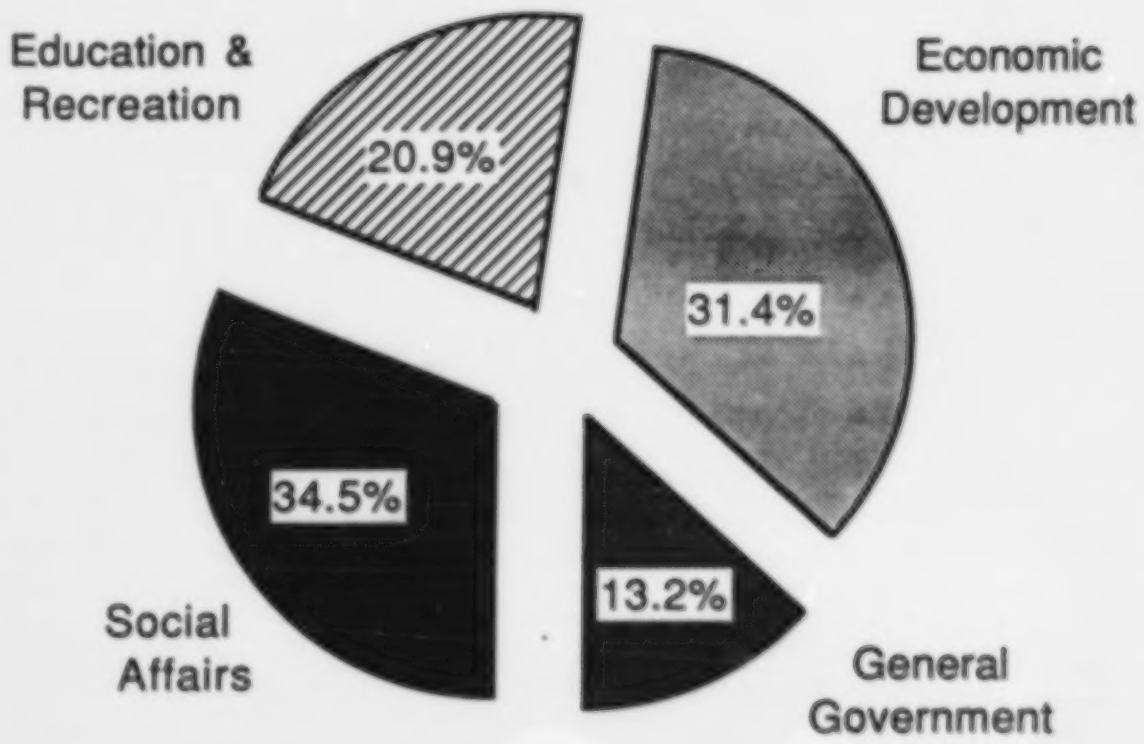
CAPITAL EXPENDITURE SUMMARY BY DEPARTMENT

($000's)

DEPARTMENT/AGENCY	1989-90 Estimates		1988-89 Forecast		1988-89 Estimates	
	$	%	$	%	$	%
Yukon Legislative Assembly	0	0.0	0	0.0	0	0.0
Executive Council Office	22	0.0	82	0.1	87	0.1
Community and Transportation Services	49,024	47.3	47,910	44.2	45,548	45.2
Economic Development : Mines and Small Business	12,191	11.8	15,116	13.9	12,871	12.8
Education	15,940	15.4	22,341	20.6	17,425	17.3
Finance	0	0.0	0	0.0	0	0.0
Government Services	8,188	7.9	7,532	6.9	7,532	7.5
Health and Human Resources	2,235	2.2	4,376	4.0	3,569	3.5
Justice	156	0.2	144	0.1	140	0.1
Public Service Commission	0	0.0	0	0.0	0	0.0
Renewable Resources	1,709	1.6	1,681	1.6	1,631	1.6
Tourism	1,868	1.8	1,954	1.8	2,031	2.0
Women's Directorate	0	0.0	0	0.0	0	0.0
Yukon Housing Corporation	12,391	11.9	7,304	6.7	9,889	9.8
Yukon Liquor Corporation	0	0	0	0	0	0
Yukon Development Corporation	one dollar	-	one dollar	-	one dollar	-
TOTAL EXPENDITURE	103,724	100	108,440	100	100,723	100

The percent columns represent the percent of total expenditures for the year accounted for by that particular department/agency. Percent figures may not add up due to rounding.

EXPENDITURES BY SECTOR
THE YUKON
1989-90



1989/90 MAIN ESTIMATES

DISTRIBUTION BY COMMUNITY

($000)

COMMUNITY	OPERATION & MAINTENANCE	CAPITAL	TOTAL	%
BEAVER CREEK	1,762	320	2,082	0.63%
BURWASH LANDING	1,791	400	2,191	0.67%
CARCROSS	2,342	8,053	10,395	3.16%
CARMACKS	3,346	3,732	7,078	2.15%
DAWSON CITY	7,049	5,501	12,550	3.81%
DESTRUCTION BAY	61	511	572	0.17%
ELSA	551	267	818	0.25%
FARO	2,836	1,102	3,938	1.20%
HAINES JUNCTION	3,045	2,124	5,169	1.57%
KENO CITY	44	275	319	0.10%
MAYO	3,719	2,571	6,290	1.91%
OLD CROW	1,590	301	1,891	0.57%
PELLY CROSSING	604	580	1,184	0.36%
ROSS RIVER	2,720	1,292	4,012	1.22%
STEWART CROSSING	930	750	1,680	0.51%
SWIFT RIVER	1,216	0	1,216	0.37%
TESLIN	3,339	1,451	4,790	1.45%
UPPER LIARD	37	120	157	0.05%
WATSON LAKE	6,308	3,730	10,038	3.05%
WHITEHORSE	108,981	33,943	142,924	43.39%
HIGHWAY CAMPS	9,500	0	9,500	2.88%
TERRITORY WIDE	58,864	36,701	95,565	29.01%
OUTSIDE YUKON	5,023	0	5,023	1.52%
TOTAL	225,658	103,724	329,382	100.00%

* Includes highway construction and all other expenditures not directly attributable to a community e.g. generalized government equipment purchases.

BUDGETARY INCOME SUMMARY BY SOURCE

($000's)

SOURCE	1989-90 Estimates		1988-89 Forecast		1988-89 Estimates	
	$	%	$	%	$	%
TAXATION						
Personal Income Tax	24,265	7.3	22,703	7.4	22,416	7.4
Corporate Income Tax	2,635	0.8	2,377	0.8	2,477	0.8
Public Utitilies Income Transfer Tax	700	0.2	700	0.2	500	0.2
School Taxes	2,172	0.7	1,982	0.6	2,094	0.7
General Property Taxes	990	0.3	996	0.3	1,019	0.3
Grants in Lieu of Property Taxes	514	0.2	382	0.1	408	0.1
Gasoline Tax	2,677	0.8	2,640	0.9	2,540	0.8
Diesel Tax	1,923	0.6	1,760	0.6	1,660	0.5
Liquor Taxes	1,949	0.6	1,935	0.6	1,860	0.6
Tobacco	2,900	0.9	2,800	0.9	2,800	0.9
Insurance	500	0.2	485	0.2	450	0.1
TOTAL TAXATION	41,225	12.4	38,760	12.6	38,224	12.6
OTHER REVENUE						
Profits-Yukon Liquor Corporation	5,083	1.5	4,808	1.6	4,750	1.6
Fees and Licences						
Motor Vehicle	2,029	0.6	1,843	0.6	1,843	0.6
Game and Campground	820	0.2	548	0.2	481	0.2
Business and Professional	373	0.1	340	0.1	340	0.1
Other	704	0.2	706	0.2	667	0.2
Fines and Penalties	195	0.1	195	0.1	193	0.1
Investment Income						
Investments	4,553	1.4	3,856	1.3	3,638	1.2
Land Sale Agreements	200	0.1	150	0.0	150	0.0
Other Revenues	25	0.0	23	0.0	19	0.0
TOTAL OTHER OWN REVENUES	13,982	4.2	12,469	4.1	12,081	4.0
Established Programs Financing	11,000	3.3	10,979	3.6	9,820	3.2
Federal Transfer Payment	194,622	58.6	179,510	58.5	176,084	58.3
TOTAL OTHER REVENUE	219,604	66.1	202,958	66.2	197,985	65.5

BUDGETARY INCOME SUMMARY BY SOURCE

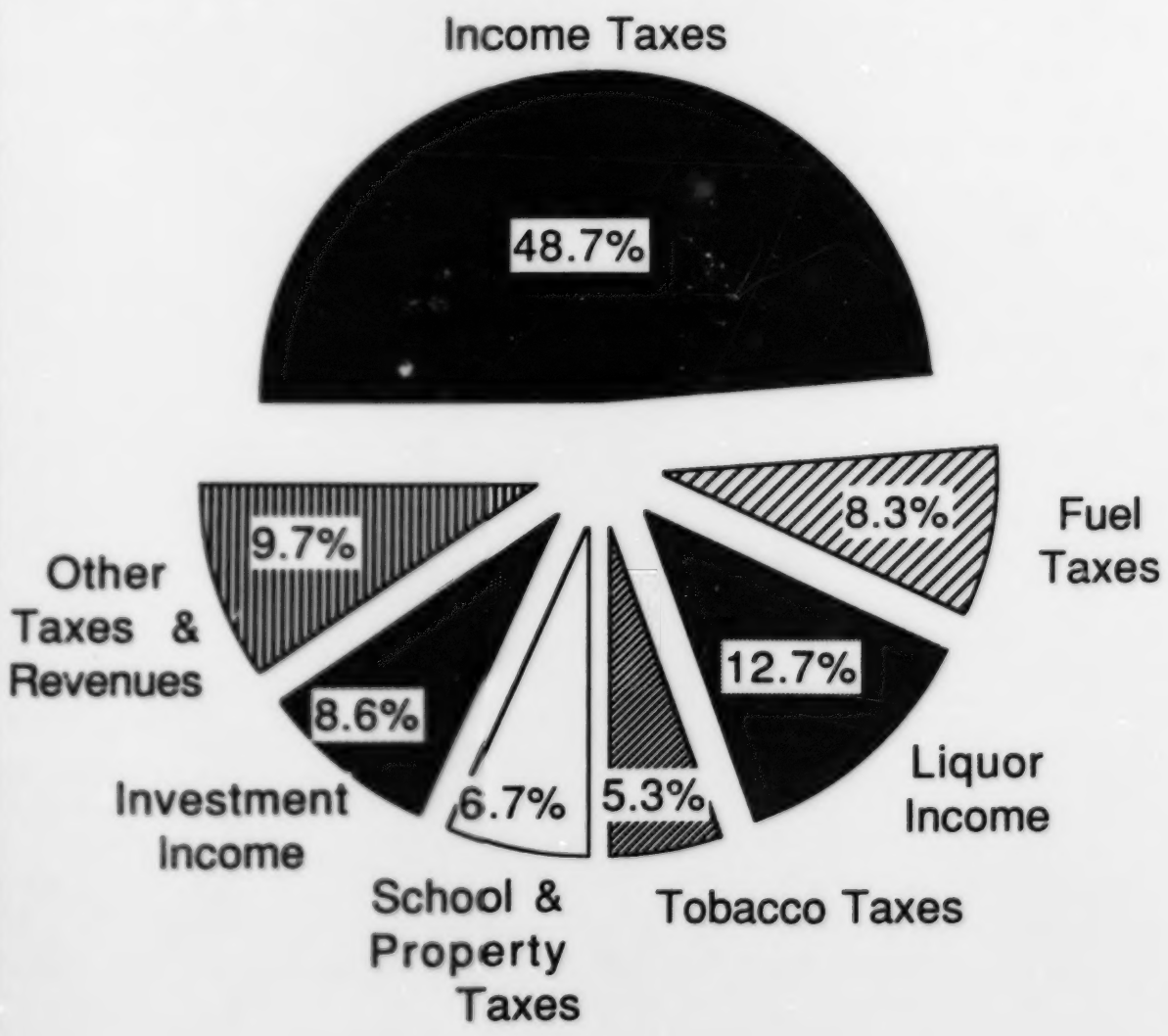
($000's)

SOURCE	1989-90 Estimates		1988-89 Forecast		1988-89 Estimates	
	$	%	$	%	$	%
RECOVERIES						
Government of Canada						
Canada Assistance Plan	5,220	1.6	4,239	1.4	4,201	1.4
Native Social Services	1,163	0.4	1,579	0.5	1,423	0.5
Young Offenders	1,313	0.4	3,083	1.0	1,779	0.6
Vocational Rehabilitation of Disabled Persons	1,276	0.4	1,217	0.4	1,217	0.4
Bilingualism	983	0.3	823	0.3	823	0.3
Legal Aid	382	0.1	365	0.1	365	0.1
Economic Development	1,008	0.3	3,037	1.0	3,778	1.2
IFA**	974	0.3	1,182	0.4	1,182	0.4
Other	2,214	0.7	2,893	0.9	1,877	0.6
	14,533	4.4	18,418	6.0	16,645	5.5
Third Party Recoveries						
Alaska Highway	10,100	3.0	12,388	4.0	10,130	3.4
Engineering Services	9,161	2.8	7,558	2.5	10,316	3.4
Native Health Care	2,450	0.7	2,450	0.8	2,450	0.8
Ministry of Transport :Airports	4,239	1.3	2,500	0.8	2,537	0.8
Occupational Training	205	0.1	242	0.1	242	0.1
Other	623	0.2	585	0.2	617	0.2
	26,778	8.1	25,723	8.4	26,292	8.7
Other Recoveries						
Yukon Housing Corporation	14,061	4.2	7,436	2.4	10,535	3.5
Land Development	7,443	2.2	4,778	1.6	4,640	1.5
Business Development Fund	2,500	0.8	0	0.0	0	0.0
Miscellaneous	6,055	1.8	8,683	2.8	7,933	2.6
TOTAL RECOVERY	71,370	21.5	65,038	21.2	66,045	21.9
TOTAL BUDGETARY INCOME	332,199	100.0	306,756	100.0	302,254	100.0

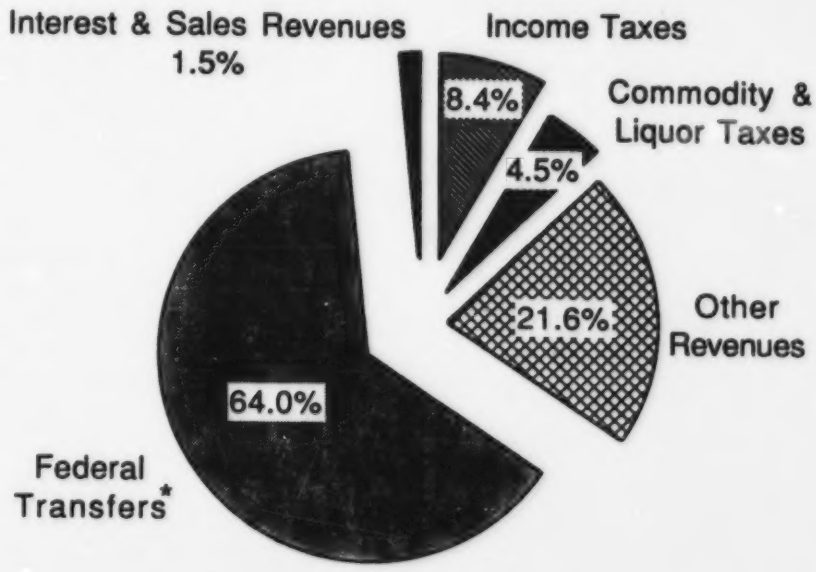
* 1988-89 figures have been restated for comparison with the 1989-90 figures.
**IFA - Inuvialuit Final Agreement

The percent columns represent the percent of total budgetary income for the year accounted for by that particular revenue. Percent figures may not add up due to rounding.

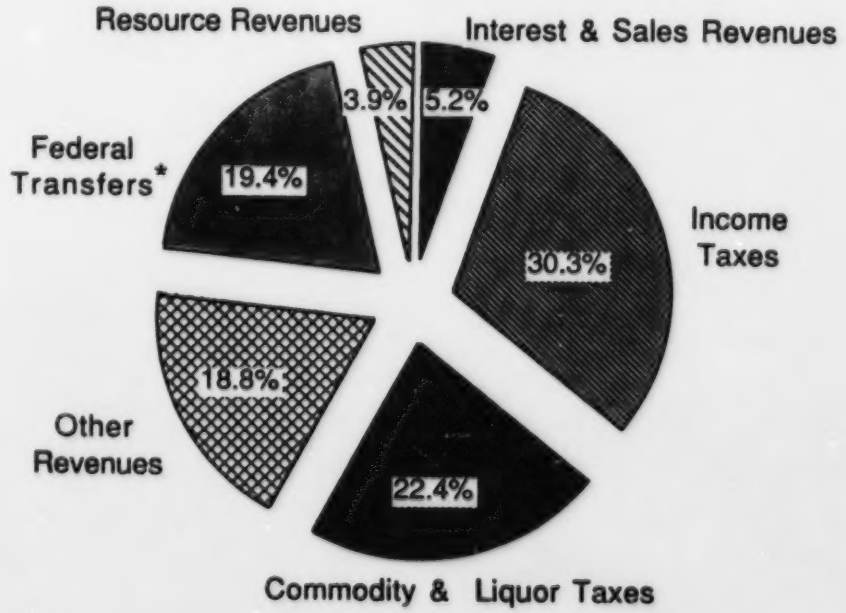
LOCALLY-RAISED YUKON REVENUE, BY SOURCE 1989-90



REVENUES BY SOURCE
THE YUKON
1989-90

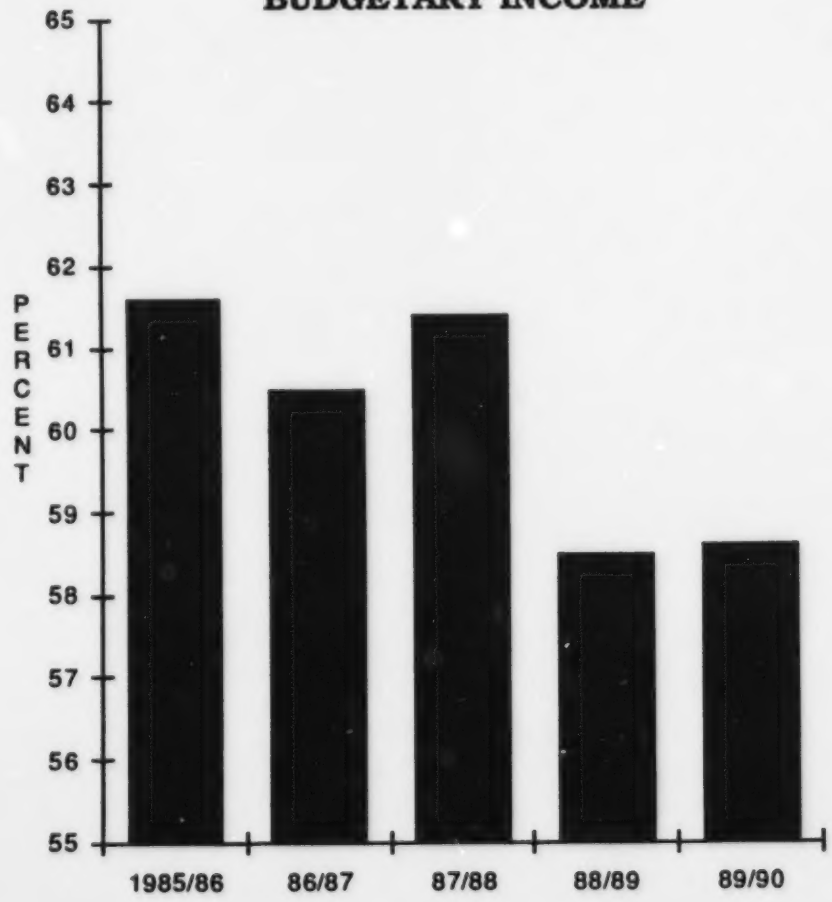


REVENUES BY SOURCE
PROVINCES & TERRITORIES**
1989-90



* Includes EPF, CAP, Equalization and Transfer Payment to Territory(s).
** Source: Federal Department of Finance.

FEDERAL TRANSFER PAYMENT as % of BUDGETARY INCOME



BUDGETARY INCOME SUMMARY ($ 000'S)

	1985-86	1986-87	1987-88	1988-89	1989-90
Federal Transfer Payment	148,591	160,162	173,474	179,510	194,622
Total Budgetary Income *	241,024	264,773	282,694	307,008	332,334
Federal Transfer Payment as % of Total Budgetary Income	61.6%	60.5%	61.4%	58.5%	58.6%

* Includes gross revenues for Yukon Housing Corporation and Yukon Liquor Corporation.

EXPENDITURE RECOVERY

BY DEPARTMENT

($000's)

DEPARTMENT/AGENCY	OPERATION & MAINTENANCE		CAPITAL	
	1989/90 Estimate	1988/89 Forecast	1989/90 Estimate	1988/89 Forecast
Yukon Legislative Assembly	0	0	0	0
Executive Council Office	594	581	0	0
Community and Transportation Services	13,286	15,312	19,520	13,488
Economic Development : Mines and Small Business	0	0	4,290	6,549
Education	2,861	3,022	0	0
Finance	0	0	0	0
Government Services	125	127	338	591
Health and Human Resoures	11,850	11,318	0	1,919
Justice	928	927	21	0
Public Service Commission	0	0	0	0
Renewable Resoures	1,178	1,285	287	496
Tourism	30	71	0	34
Women's Directorate	0	0	0	0
Yukon Housing Corporation	4,037	3,436	10,024	4,000
TOTAL RECOVERY	34,889	36,079	34,480	27,077

PERSON YEAR ESTABLISHMENT SUMMARY

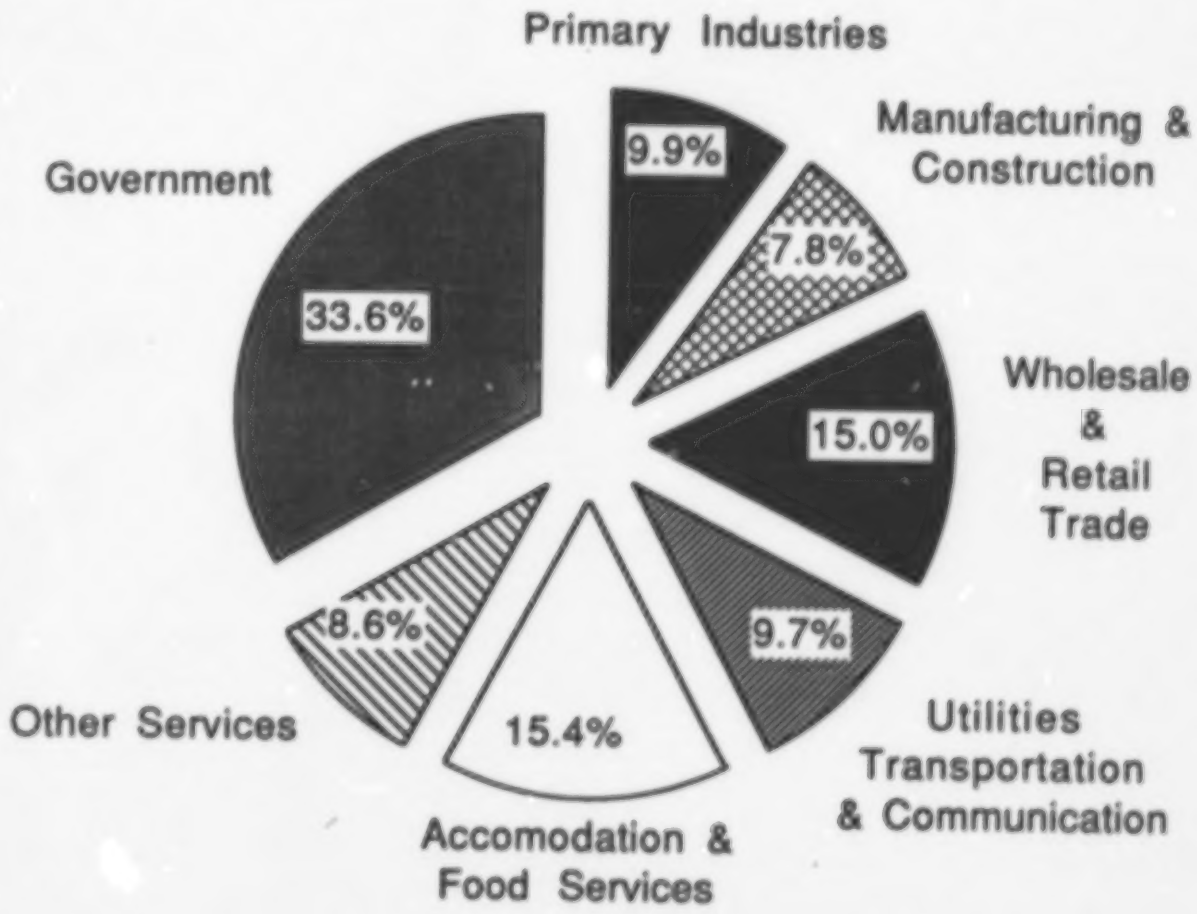
DEPARTMENT/AGENCY	1989/90 ESTIMATE				1988/89 FORECAST	
	O&M	CAPITAL	TOTAL	%	TOTAL	%
Yukon Legislative Assembly	6.0	0.0	6.0	0.3	6.0	0.3
Executive Council Office	61.0	0.0	61.0	3.2	58.0	3.1
Community and Transportation Services	339.4	36.3	375.6	19.6	375.0	20.1
Economic Development : Mines and Small Business	30.5	18.8	49.3	2.6	49.3	2.6
Education	636.1	0.6	636.7	33.3	625.2	33.5
Finance	51.0	0.0	51.0	2.7	51.0	2.7
Government Services	184.2	21.0	205.2	10.7	192.2	10.3
Health and Human Resoures	197.5	1.0	198.5	10.4	184.8	9.9
Justice	142.0	0.0	142.0	7.4	142.0	7.6
Public Service Commission	45.5	0.0	45.5	2.4	45.5	2.4
Renewable Resoures	103.5	1.0	104.5	5.5	99.5	5.3
Tourism	26.0	8.0	34.0	1.8	34.0	1.8
Women's Directorate	3.0	0.0	3.0	0.2	3.0	0.2
TOTAL PERSON YEARS	1825.7	86.7	1912.4	100.00	1865.5	100.00

The percent columns represent the percent of total person years for the year accounted for by that particular department/agency. Percent figures may not add up due to rounding.

Justice figures do not include 3.0 judges in Court Services.

Executive Council Office includes 13.0 Order-in-Council Appointments.

EMPLOYMENT BY SECTOR
THE YUKON
1988*



* Yukon Finance estimate of January - September average.

MAJOR TERRITORIAL AND PROVINCIAL TAX RATES

MARCH 1, 1989

	PERSONAL INCOME TAX			CORPORATE INCOME TAX					
	BASIC RATE %	HIGH INCOME SURCHARGE %	FLAT TAX (G) %	GENERAL RATE %	SMALL BUSINESS %	RETAIL SALES TAX %	TOBACCO TAX (H) ¢/25 cigs	GASOLINE TAX (J) ¢/litre	DIESEL FUEL TAX ¢/litre
Newfoundland	60.0	Nil	Nil	16.0	10.0	12.0	119.5	9.3	11.5
Nova Scotia	56.5	Nil	Nil	15.0	10.0	10.0	112.5	8.2	8.5
New Brunswick	60.0	Nil	Nil	16.0	9.0	11.0	118.0	9.4	11.2
Prince Edward Island	57.0 (A)	10.0 (B)	Nil	15.0	10.0	10.0	117.5	8.3	8.8
Quebec	---	Nil (C)	Nil	5.9	3.22	9.0	113.0	14.4	12.45
Ontario	52.0	10.0 (D)	Nil	15.5	10.0	8.0	95.7	9.3	9.9
Manitoba	54.0	2.0 (E)	2.0	17.0	10.0	7.0	137.5	9.7	9.9
Saskatchewan	50.0	12.0 (F)	2.0	15.0	10.0	7.0	142.0	7.0	7.0
Alberta	46.5	8.0	0.5	15.0	5.0	Nil	100.0	5.0	5.0
British Columbia	51.5	Nil	Nil	14.0	9.0	6.0	125.0 (I)	9.79 (K)	8.23
Northwest Territories	43.0	Nil	Nil	10.0	10.0	Nil	87.5	8.4	7.1
Yukon	45.0	Nil	Nil	10.0	5.0	Nil	80.0	4.2	5.2

MAJOR TERRITORIAL AND PROVINCIAL TAX RATES

Notes to Table:

A) Quebec levies its own personal income tax.

B) Prince Edward Island imposes a surcharge of 10% of provincial tax in excess of $12,500.

C) Ontario imposes a surcharge of 10% of provincial tax over $10,000.

D) Manitoba levies a 2% surcharge on net income over $30,000.

E) Saskatchewan imposes a surcharge of 12% of provincial tax over $4,000.

F) Alberta imposes a surcharge of 8% of provincial tax over $3,500.

G) Manitoba and Saskatchewan impose a flat tax on net income. Alberta imposes a flat tax on taxable income.

H) Manitoba, Ontario, New Brunswick and Newfoundland apply provincial retail sales tax of 7%, 8%, 11% and 12% to sales of tobacco.

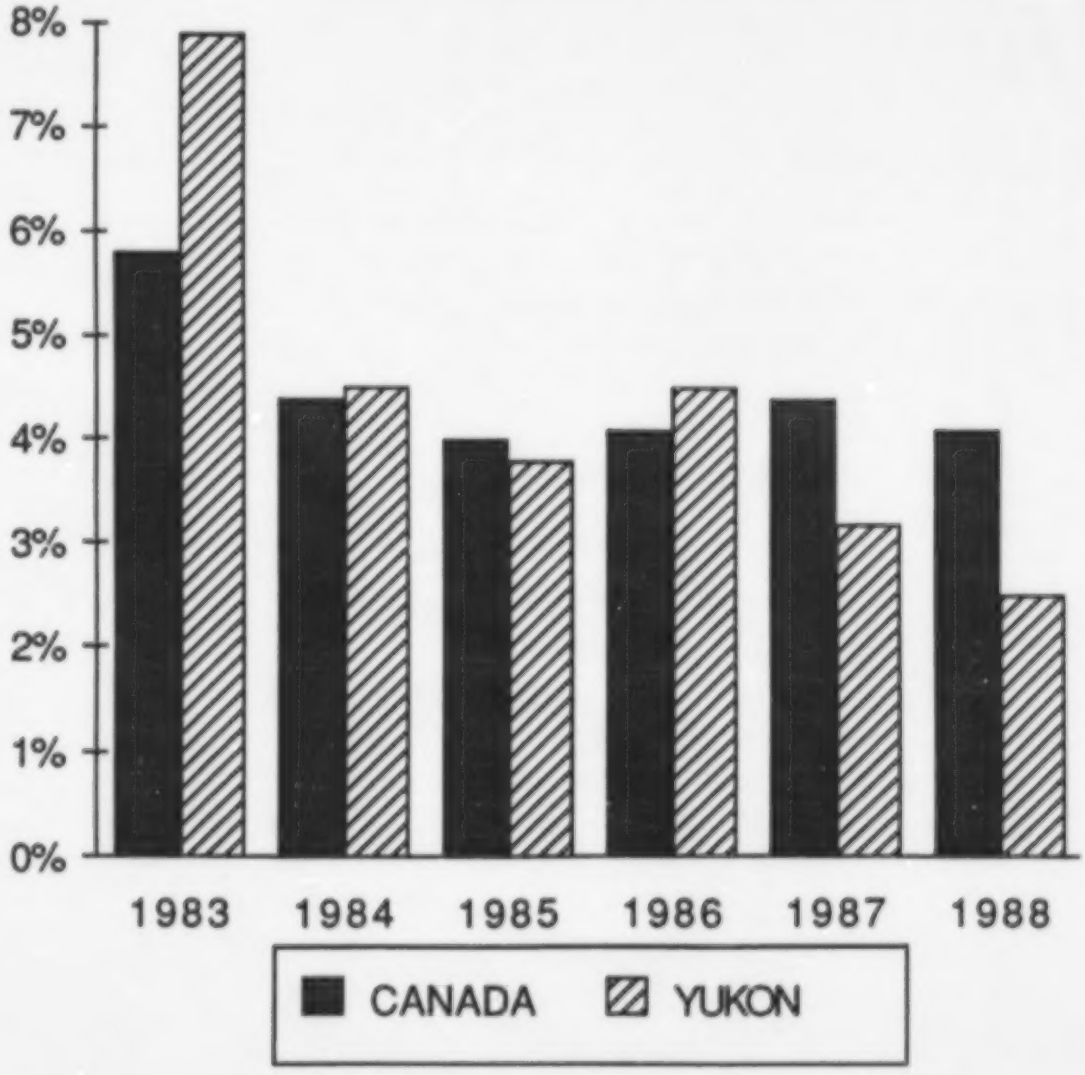
I) The 1989-90 NWT budget proposes an increase in the tobacco tax, as of April 1, 1989, to 55% of the median Yellowknife price.

J) Northwest Territories, British Columbia, Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick levy an AD VALOREM tax on gasoline and diesel fuel.

K) Northwest Territories levies a highway gasoline tax of 8.4 c/litre and a non-highway gasoline tax of 5.0 c/litre. As of April 1, 1989, the base rate for gasoline is proposed to change from 17% of the retail price for regular leaded gasoline to 17% of the retail price for regular unleaded.

N.B. Rate changes may have occurred since the time of the survey. To determine current rates, reference should be made to each jurisdiction's Department of Finance.

% CHANGE IN CONSUMER PRICE INDEX THE YUKON & CANADA



MAIN ESTIMATES

HISTORICAL COMPARISON

	O & M ($000)	CAPITAL ($000)	TOTAL ($000)
1989/90	225,658	103,724	329,382
1988/89	201,806	100,474	302,280
1987/88	176,749	114,302	291,051
1986/87	171,065	80,935	252,000
1985/86	160,141	48,207	208,348
1984/85	148,214	25,959	174,173
1983/84	130,379	24,412	154,791
1982/83	116,508	37,438	153,946
1981/82	104,497	25,608	130,105

Note: These figures reflect the voted expenditures as per the estimates of the relevant year and have not been re-stated for purposes of comparison.